

Circular to members # 67/2025-26

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PTC urges govt to address key challenges facing textile sector



The Pakistan Textile Council (PTC) has urged the government to address key challenges facing the textile sector, warning that continued inaction could further weaken Pakistan's export performance.

In a letter sent to various government departments, PTC Chairman Fawad Anwar shared the Council's export data analysis report for Q1 FY2025-26 (July-September 2025).

The PTC claims to present an evidence-based overview of Pakistan's export performance and identified critical trends requiring urgent policy intervention. The findings, it noted, are both "alarming and instructive." The textile sector—accounting for nearly 63 percent of Pakistan's total exports—continues to show signs of distress, with exports declining 2 percent year-on-year to USD1.58 billion in September 2025. This downward trend is mirrored in the country's current account, which posted a USD594 million deficit during Q1 FY26.

The deficit, driven by rising imports outpacing exports and remittances, underscores the need for immediate corrective measures.

To arrest the decline and rebuild market share, the PTC has recommended several steps: (i) liquidity and tax friction removal through automated refunds and zero-rating of inputs under the Export Facilitation Scheme (EFS);(ii) alignment of wage and labour policies with regional competitors to restore cost competitiveness; (iii) structural support for reviving the spinning and weaving sectors by reducing the cost of doing business and improving cotton quality; and (iv) enhanced access to finance through strengthening the EXIM Bank and expanding EFS and LTFF limits to support innovation and green investments.

The Council stressed that implementing these measures is crucial to restoring export competitiveness, stabilising the external account, and achieving sustainable economic growth.

Recently, issues facing the business community were discussed in a meeting chaired by the Prime Minister, attended by relevant authorities and industry representatives. Following the discussions, the Prime Minister constituted several panels to formulate recommendations.

However, no key representative from the All Pakistan Textile Mills Association (APTMA) has been included in these panels, the report noted.

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